



PannErgy Nyrt.

QUARTERLY PRODUCTION REPORT
for 2024 Q4

and

fulfilment of the EBITDA plan for 2024, and
the EBITDA plan for 2025

15 January 2025

This announcement is published in Hungarian and English languages. In case of any contradiction between these two versions, the Hungarian version shall prevail.

Introduction

PannErgy Nyrt. publishes a production report on a quarterly basis, presenting its production and utilisation of green energy. In its report, PannErgy presents the green heat sales figures of its key geothermal energy production systems during the reporting period, in addition to other useful information. Each year, the production report for the fourth quarter is supplemented with a preliminary, quarterly heat sales plan for the following year (Figure 2) and the preliminary annual EBITDA plan (Chapter II), the values of which are either confirmed or adjusted, as appropriate, at the Company’s annual General Meeting.

In its extraordinary publication of 1 October 2024, the Company informed the public that the regulated district heating producer tariffs to be applied from 1 October 2024 – also applicable to subsidiaries subject to PannErgy’s district heating price regulation – were announced by the Minister of Energy in his Decree No. 16/2024 (IX. 30.) (hereinafter: “Decree”) published in volume 98 of 2024 of the Magyar Közlöny (the Hungarian Official Journal). In contrast to previous practice, the Regulation set district heating producer tariffs not only in the form of a sales heat tariff for the heat volume sold, but also in the form of a split heat supply tariff for the heat volume sold, and a monthly sales base tariff, i.e. using a so-called two-element pricing system:

With the introduction of two-element pricing above,

- the sustainable profitability of the Company – derived from regulatory pricing – becomes more predictable;
- the impact on the Company’s profitability of changes in the demand for heat affected by the regulatory pricing (e.g. the weather) is minimised;
- due to the lower sales heat tariff (HUF/GJ) and the higher sales base tariff in the fourth quarter of the year compared to the other quarters, the weight and share of the first half of the year in the operating profit generation capacity decreases in the financial year, while it increases in the second half of the year.

I. Consolidated production information

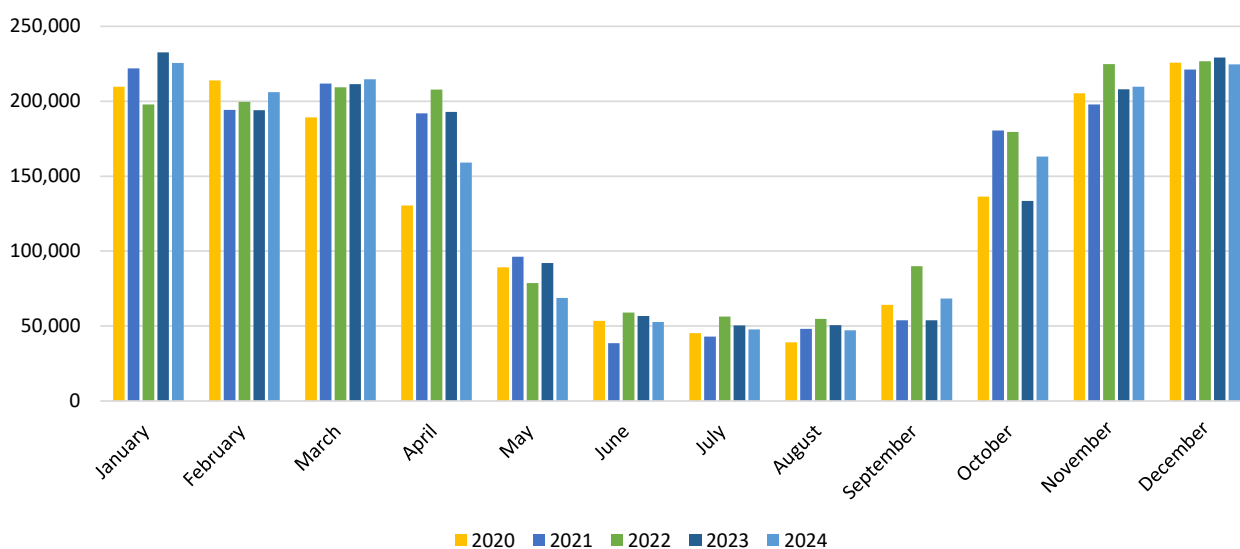


Figure 1

Consolidated volume of heat sold (GJ)

The chart presents the aggregate volume of heat sold across all operational projects, in a monthly breakdown

	2020	2021	2022	2023	2024	2024 TARGET	2025 TARGET
January	209,678	221,966	197,923	232,696	225,521		
February	213,855	194,173	199,600	193,989	206,080		
March	189,195	211,762	209,267	211,365	214,659		
Q1	612,728	627,901	606,790	638,050	646,259	634,509	653,982
April	130,407	192,053	207,861	192,834	159,116		
May	89,190	96,333	78,637	92,125	68,687		
June	53,394	38,595	58,955	56,645	52,745		
Q2	272,991	326,981	345,453	341,604	280,548	340,612	287,272
July	45,297	42,919	56,299	50,385	47,662		
August	39,205	48,023	54,838	50,659	47,099		
September	64,096	53,870	90,033	53,905	68,343		
Q3	148,598	144,812	201,170	154,949	163,104	166,451	163,099
October	136,460	180,427	179,453	133,450	209,679		
November	205,417	197,872	224,871	208,031	224,674		
December	225,688	221,198	226,770	229,190	242,321		
Q4	567,565	599,497	631,094	570,671	676,675	631,543	666,246
Total	1,601,882	1,699,190	1,784,507	1,705,274	1,766,586	1,773,116	1,770,599

Figure 2

Consolidated actual and target volumes of heat sold, in a table format (GJ)

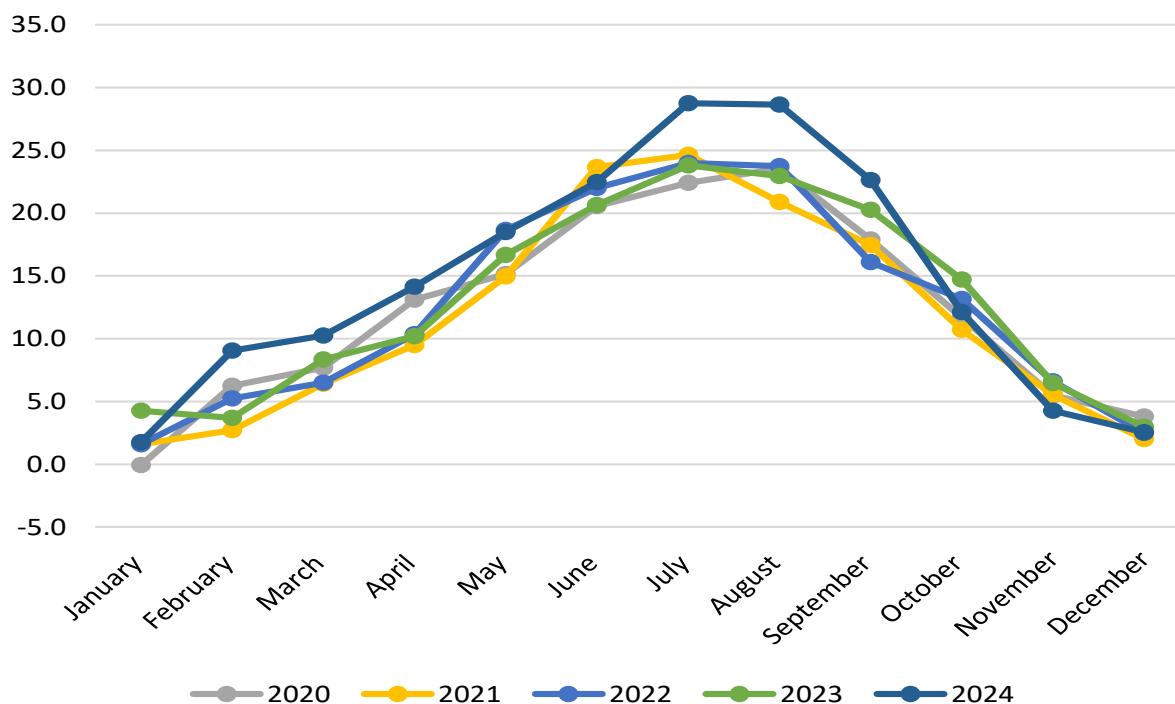


Figure 3

Average temperatures

The weather during the period under review represented higher Group-level geothermal heat sales potential in October compared to the same period in 2023, while in November and December it was similar to the average of recent years.

A comparison of the 2024 Q4 heat sales figures with the average values of the equivalent period in historical years indicates that PannErgy achieved record heat sales in the period, significantly exceeding both the heat sales of the base period and the target for the period, which was partly due to the start-up of the third production well in Miskolc. PannErgy exceeded the quarterly target by about 7.2% and the base period sales by about 18.6%.

II. Fulfilment of the EBITDA plan for 2024 and projected EBITDA for 2025

In view of the information presented in this production report, PannErgy maintains the previously published (15 January 2024) consolidated EBITDA target range of HUF 3,900–4,100 million for the 2024 business year.

The Company's management has defined a consolidated EBITDA target in the range of HUF 4,000 – 4,150 million under the IFRS for the 2025 business year, which represents an organic increase in the median value compared to the expected results of the 2024 business year. The planned quarterly heat sale volumes assigned to the target are presented in the table of Figure 2. Related information on their relationship to the profit plan is provided in the introductory section of this report.

III. Major projects

Miskolc Geothermal Project

(Miskolci Geotermia Kft., Kuala Kft.)

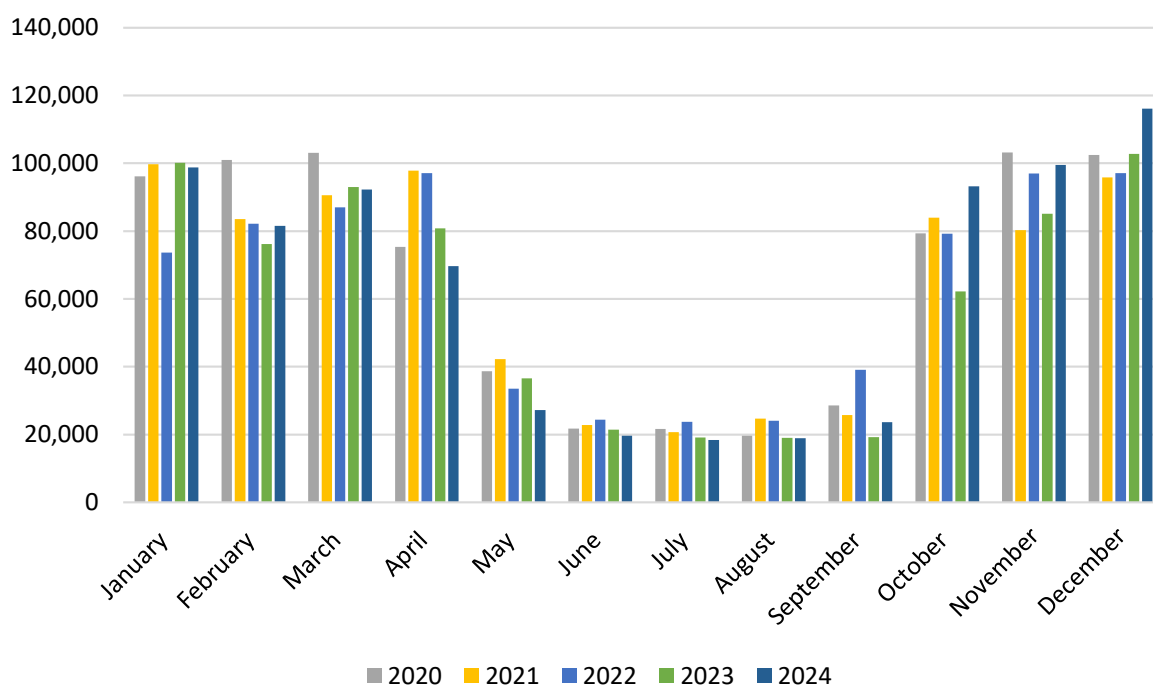


Figure 4
Volume of heat sold in Miskolc (GJ)

In 2024 Q4, the Miskolc Geothermal System sold a record total of 308,864 GJ of thermal energy, significantly exceeding the corresponding period of the previous years and 23.5% more than the heat sales in the same period of 2023. In the second half of the period under review, the newly installed third production well contributed to the outstanding performance with useful heat input.

Győr Geothermal Projects

(DD Energy Kft., Arrabona Koncessziós Kft.)

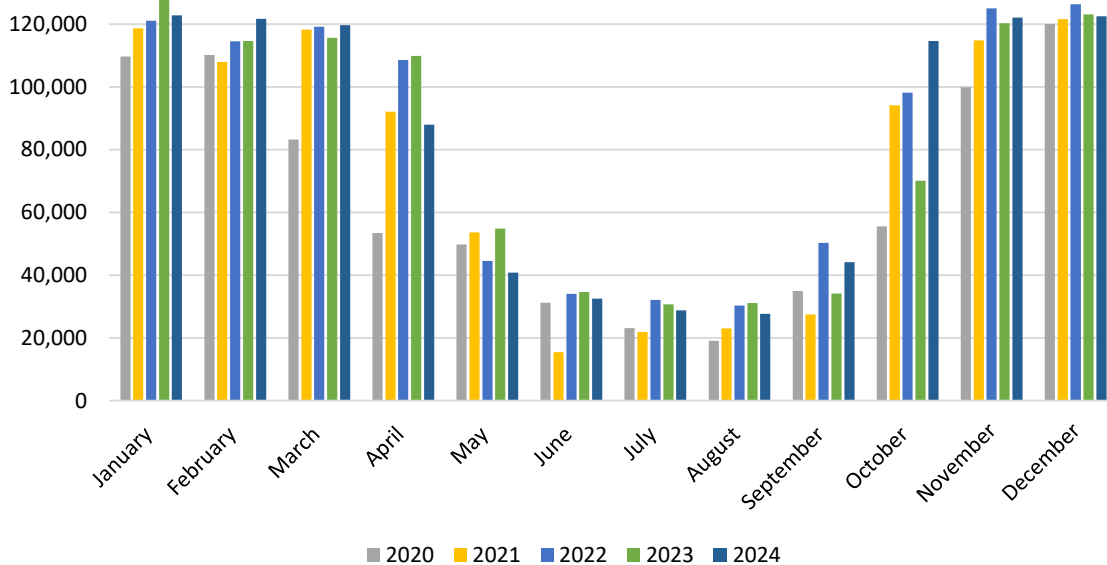


Figure 5
Volume of heat sold in Győr (GJ)

In 2024 Q4, the Győr Geothermal System sold a record 359,211 GJ of thermal energy, exceeding the corresponding period of the previous years and surpassing the heat sales achieved in the same period of 2023 by 14.6%.